

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.7080 Correction of Underwithholding or Overwithholding (IITA Section 701)
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TITLE 86: REVENUE

**PART 100
INCOME TAX**

Section 100.7080 Correction of Underwithholding or Overwithholding (IITA Section 701)

- a) Underwithholding. If an employer erroneously underwithholds an amount of Illinois income tax required to be deducted and withheld from compensation paid to an employee within a payroll period, he should correct the error within the same calendar year by deducting the difference between the amount withheld and the amount required to be withheld from any compensation still owed the employee, even though such compensation may not be subject to withholding. If the error is discovered in a subsequent calendar year, no correction shall be made by the employer. (See IITA Section 706.)

- b) Overwithholding. If an employer erroneously overwithholds an amount of tax required to be deducted and withheld from compensation paid to an employee, repayment of such overwithheld amount shall be made in the same calendar year. Repayment may be made in either of two ways: the amount of overwithholding may be repaid directly to the employee, in which case the employer must obtain written receipt showing the date and amount of the repayment, or the employer may reimburse the employee by applying the overcollection against the tax required to be deducted and withheld on compensation to be paid in the same calendar year in which the overcollection occurred. If the error is discovered in a subsequent calendar year, no repayment shall be made.

- c) Cross reference. For effect on reporting and remitting taxes deducted and withheld when there is an erroneous underwithholding or overwithholding, see 86 Ill. Adm. Code 100.7340.